

is the equivalent of \$30.69 per hundredweight dressed or about \$31 per hundredweight in Canadian funds.

Thus, Mr. Speaker, based upon the anticipated supply position forecast for this fall, the freeze should not be a limiting factor in determining hog prices on either side of the border. Although hog prices have been moving up in the last five or six weeks particularly, we believe that there is sufficient latitude between prices where they are today, somewhere between 23½ cents and 26 cents, and 31 cents, if market supply conditions continue to move up within the next 90 days.

The application of the surcharge weighs particularly heavily on agriculture. In 1970 the United States imported approximately \$330 million worth of agricultural products from Canada. Of this, about \$62 million worth or approximately 20 per cent entered duty free and, therefore, as has been explained by my colleagues under the criteria established by the United States is not subject to surcharge. This category includes such important items as purebred breeding stock, most furs, sausage casings, certain pet foods, some forage seeds and bran, shorts and middlings.

There is a second category to which the surcharge does not apply. It relates to those products for which the United States has fixed import quotas. About \$44 million or approximately 13 per cent of our agricultural exports fall into this category, the main items being fresh or frozen beef and veal, cheddar cheese and wheat and flour. The other category in addition to these two that is exempt from the surcharge relates to those products where the most favoured nation tariff rate and the general tariff rate are the same. This applies to about \$5.6 million worth or 2 per cent of U.S. agricultural imports from Canada. The main items here are cattle in the weight category of between 200 and 700 pounds—this is mostly feeder cattle—pork, boned and cooked, and potatoes in excess of the tariff quota.

For all other United States agricultural imports from Canada, which in 1970 amounted to about \$219 million, the surcharge rate will apply. There is a range of rates here. It goes from a marginal amount up to 10 per cent of value, the level of the general tariff rate. About 65 per cent of our agricultural exports fall into this category. The potential seriousness of this for our industry in particular can be seen when one compares this proportion with that for total Canadian exports to the U.S.A., where about 25 per cent will be subject to the surtax.

Important items in this category from the volume of trade standpoint, and there are others that are just as important from the individual producer or area standpoint, are as follows. I wish to give hon. members a list of the main items; indeed, I am prepared to provide for them a very detailed list of the items and the definitions that are contained in the U.S. regulations respecting them. The list that I should now like to give to the House is based on the 1970 value of exports that can be subject, and indeed some are subject, to the surtax. Firstly, there is grade dairy cattle over 700 pounds, for \$11.9 million; other cattle over 700 pounds, \$11.4 million; live swine,

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\$3.8 million; pork and bacon that is not boned and canned, \$3.4 million; eggs, \$3.2 million; seeds for sowing, \$6.6 million; barley, \$12.6 million; potatoes, \$4.2 million; turnips, \$2.8 million; apples, \$5.3 million; blueberries, \$3.3 million; maple syrup and sugar, \$5.8 million; biscuits, etc., \$10.7 million; brewers and distillers grains, \$5.9 million; and peat moss, \$12 million.

During the past three weeks or so the Department of Agriculture, in co-operation with the Department of Finance and the Department of Industry, Trade and Commerce, has released a number of information bulletins to the industry. We have also had some meetings so that all those involved in the industry as well as producer organizations throughout the trade, and so on, could have accurate information interpreted from the bulletins we receive from the United States, and so everyone might know exactly what the amount of surtax might be and how it would apply to various classifications. I must say that the industry has been very co-operative. Indeed, I am pleased to say that they have indicated to me that they have been extremely appreciative of the fact that they have received this information as rapidly as it could be passed to them, which was as soon as it was available to us. I wish to repeat that if any hon. member wishes to obtain a detailed list of these things, he need only apply to my office and it will be sent to him immediately.

It is evident from what I have said that the impact of the United States surcharge on Canadian agricultural exports and for many products on the whole Canadian market could be severe. It is important, therefore, that provisions are included in this employment support bill to cover agricultural processing plants and agricultural producers.

Among the factors that will be considered in assessing the eligibility of processors of agricultural products for grants under this act will be whether the processors maintained prices to supplying producers consistent with those that would have been in effect had the U.S. surcharge not applied. Thus, processing plants that in the absence of this act would have little or no alternative other than to, in effect, compensate themselves by adjusting prices to producers will now be able to maintain producer prices and apply for a grant under this program.

Mr. Stanfield: Mr. Speaker, may I ask the minister a question? Is he maintaining that agricultural items such as cows, blueberries, and so on, come within the definition of manufactured products or within the scope of the bill we are considering?

Mr. Olson: No, Mr. Speaker, not entirely. I do not think we could so classify live cattle that are shipped. On the other hand, there are certain classes of beef products that come within the scope of the bill, and there compensation could be made.

Mr. Stanfield: Mr. Speaker—

Mr. Olson: Mr. Speaker, I think it might be helpful if the Leader of the Opposition (Mr. Stanfield) were to wait for about four or five minutes, because I have something